(c) whether Government have agreed to the suggestions; and

(d) if so, the steps being considered in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Yes, Sir. Federation of Indian Chambers of Commerce and Industry (FICCI) has suggested a number of measures for stimulating consumption and investment in the economy. The trends in the economy are closely monitored and under constant review and appropriate measures taken in the light of emerging situation as and when necessary. The views and suggestions from various organisations provide inputs in formulating policies keeping in view the Government's broad policy objectives and overall macro economic situation. The broad strategy of the Budget 2002-03 is to continue the emphasis on agriculture and food economy reforms; enhance public and private investment in infrastructure; strengthen the financial sector and capital markets; deepen structural reforms and regenerate industrial growth; provide social security to the poor; and consolidate tax reforms and continue fiscal adjustment at both the Central and State levels. To this end, the Budget 2002-03 contains a number of reform measures. The Budget for 2002-03 has also provided enhanced plan outlays for key infrastructure sectors and allocations for rural development. Besides, measures have been taken to stimulate domestic demand. These among others include further reduction in administered interest rates, scaling down of peak customs tariff and further simplification in the excise duty regime etc. Also progress has been made in the privatization and in the implementation of Expenditure Reforms Commissions recommendations. These measures and initiatives are expected to have a favourable impact on the quality of Government expenditure and foster efficiency and investment to strengthen competitiveness of the system.

Memorandum of FICCI for simplyfing customs procedures

5015. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether FICCI has submitted a memorandum to him for simplifying the customs procedures;

(b) if so, whether they have suggested that phasing out the peak customs duty to reach 20 per cent in three years should be done on priority for raw materials and not finished goods;

(c) whether the Ministry of Finance has agreed to consider the suggestions of the FICCI; and

(d) if so, to what extent it will be done away in the Budget?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) Yes, Sir.

(c) and (d) The Government have decided that, by the year 2004-2005, there would be a two tier structure for customs duties, namely, 10% and 20%. The existing rates would be adjusted and subsumed in these two basic rates with some exceptions on account of WTO bindings or higher tariffs for agricultural products.

Regulation of professional conduct of auditors

5016. SHRI K. B. KRISHNA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether post-Enron, in which the collusion of the auditors was established, Government are planning to effectively regulate the professional conduct of the auditors in India;

(b) whether Government would make it mandatory for the corporate to appoint an auditor at the discretion of its minority share-holders and not by the controlling group;

(c) whether Government would also propose that auditors should be barred from acting as consultants and from representing IT cases of the companies who are their clients; and

(d) the other measures Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) The required information is being collected and will be laid on the Table of the House.

Financial crunch in States

5017. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that State Governments are feeling the financial difficulties as a result of not getting the anticipated amounts of Central assistance because of the slump in revenue mobilisation by the Central Government;

(b) if so, the amount meant for transfer to the States as part of their share in the Central revenue mobilisation, State-wise; and

(c) in what manner Government propose to financially assist the States particularly those facing acute financial difficulties?